



## **NOTICE TO STATE WATER PROJECT CONTRACTORS**

**NUMBER:** 00-11

**DATE:** MAY 04 2000

**SUBJECT:** Cost Allocation and  
Repayment Analysis  
System - May Estimates

**FROM:** Signed: Ray Hart  
*Deputy Director, Department of Water Resources*

In accordance with Article 29 of the Water Supply Contract, the Department of Water Resources issues billings to water contractors on July 1 of each year for the following calendar year.

Although not required by the contract, the Department has provided a "May Estimate" of the July 1 billings to assist contractors in their budgeting process. However, for the following reasons the Department will not issue an estimate this year:

- The Department does not anticipate major changes in SWP costs for 2001.
- The Department has converted its business processes to an integrated system and has been addressing first year implementation issues. The Division of Fiscal Services has been focused on ensuring the proper recording of current year transactions and future years' budgets on which the bills are based. With the task essentially complete, it is now focused on issuing the final billings and completing its other fiscal responsibilities.
- The State Water Project Analysis Office, which relies on the information supplied by the Division of Fiscal Services, is now focused on utilizing the new CARA system to develop the final billings for the contractors.
- The estimates are issued prior to the completion of the billing process and do not necessarily reflect the actual amount to be billed.
- Contractor representatives on the CARA Work Group stated that historically the estimates have not provided information soon enough to be used effectively in the contractors' budget process.

For the above reasons, the Department will not be issuing the May estimate for the year 2001 billings.

The Department will meet with contractor representatives after the 2001 billing cycle to discuss the timing of estimates for future years' billings.

If you have any questions about this notice, please contact Dan Flory, Chief of the Department's State Water Project Analysis Office, at (916) 653-4313.